



Msinga Local Municipality
Annual Financial Statements for the year
ended 30 June 2017

Msinga Local Municipality
(Registration Number KZN 244)

Annual Financial Statements for the year ended 30 June 2017

General Information

Legal form of entity

Local Municipality

Mayoral committee

Executive Mayor

Cllr BP Ngcobo

Councillors

Cllr SG Masimula

Cllr TL Kunene

Cllr K Sithole

Cllr M.P.S Mshibe

Cllr T Mntugwa

Cllr JV Langa

Cllr TM Ndlovu

Cllr M.W Sokhela

Cllr SC Mpungose

Cllr NC Xaba

Cllr N M Mabaso

Cllr LE Danisa

Cllr BP Madondo

Cllr P Dladla

Cllr M Sithole

Dr. FJ Sikhakhane

Cllr GB Sikhakhane

Cllr B Dumakude

Cllr MS Khoza

Cllr XS Xaba

Cllr S Magubane

Cllr A.S Shezi

Cllr N.C Sikhosana

Cllr BL Ntuli

Cllr ZS Magwaza

Cllr DM Ndlovu

Cllr SR Sokhulu

Cllr M.M.S Myeza

Cllr B Mthethwa

Cllr LD Ngubane

Cllr SK Radebe

Cllr NP Xulu

Cllr N Majosi

Cllr S Ximba

Cllr ZE Shange

Cllr TM Mabaso

Cllr S Sithole

Msinga Local Municipality
(Registration Number KZN 244)

Annual Financial Statements for the year ended 30 June 2017

General Information

Accounting Officer	Sithole F.B.
Chief Finance Officer (CFO)	Pansegrouw J.S.
Business address	Main road Tugela Ferry
Postal address	Private Bag X530 Tugela Ferry 3010
Bankers	ABSA
Auditors	Auditor - General South Africa Registered Auditors

Msinga Local Municipality
(Registration Number KZN 244)

Annual Financial Statements for the year ended 30 June 2017

Index

Index	Page
Accounting Officer's Responsibilities and Approval	4
Approval of Annual Financial Statements	5
Statement of Financial Position	6
Statement of Financial Performance	7
Statement of Changes in Net Assets	8
Cash Flow Statement	9
Statement of Comparison of Budget and Actual Amounts	10
Accounting Policies	11 - 18
Notes to the Annual Financial Statements	19 - 29

Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Msinga Local Municipality
(Registration Number KZN 244)

Annual Financial Statements for the year ended 30 June 2017

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and are given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the period to 30 June 2018 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Sithole F.B.

Municipal Manager

Msinga Local Municipality
(Registration Number KZN 244)

Annual Financial Statements for the year ended 30 June 2017

Approval of Annual Financial Statements

I am responsible for the presentation of the Annual Financial Statements, which are set out on pages 5 to 29, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits made to Councillors, if any, and payments made to Councillors are for the loss of office, if any, as disclosed in note 20 of these Annual Financial Statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The Accounting Officer is responsible for the presentation and fair presentation of these Annual Financial Statements in accordance with Generally Recognised Accounting Practice (GRAP) in a manner required by local government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) including interpretations, guidelines and directives issued by the Accounting Standards Board.

It is the responsibility of the Accounting Officer to ensure that the Annual Financial Statements fairly present the statement of affairs of the municipality as at the end of the financial period and the results of its operations and cash flows for the period then ended.

Sithole F.B.
Municipal Manager

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Statement of financial position as at 30 June 2017

	Notes	2017 R	2016 R
Assets			
Current assets			
Receivables from exchange transactions	4	2 060 397	2 732 359
Receivables from non-exchange transactions	5	-	48 046
VAT receivable	6	29 216 376	12 630 462
Cash and cash equivalents	7	36 760 518	40 989 183
		68 037 291	56 400 050
Non-Current assets			
Property, plant and equipment	2	265 532 024	240 615 500
Total Assets		333 569 315	297 015 550
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	27 860 419	8 565 257
Unspent conditional grants and receipts	8	1 605 730	272 397
Provisions	9	623 930	606 862
		30 090 079	9 444 516
Non Current Liabilities			
Employee benefit obligation	3	602 000	467 000
Provisions	9	4 478 233	3 980 652
		5 080 233	4 447 652
Total Liabilities		35 170 312	13 892 168
Net Assets		298 399 003	283 123 382
Reserves			
Revaluation reserve		480 000	480 000
Accumulated surplus		297 919 003	278 780 837
Total Net Assets		298 399 003	279 260 837

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Statement of financial performance

	Notes	2017 R	2016 R
Revenue			
Revenue from exchange transactions			
Service charges		202 201	43 158
Rental of facilities and equipment	12	840 255	566 643
Other Income		122 683	160 228
Interest received - investments	13	2 976 382	4 971 116
Total revenue from exchange transactions		4 141 521	5 741 145
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	17	17 868 862	16 505 379
Transfer revenue			
Government grants and subsidies	29	195 653 123	205 714 457
Total revenue from non-exchange transactions		213 521 985	222 219 836
Total revenue	11	217 663 506	227 960 981
Expenditure			
Employee related costs	19 & 20	(43 772 719)	(41 486 078)
Depreciation and amortisation		(15 238 036)	(14 415 017)
Finance costs		(547 581)	(442 295)
Debt impairment	14	(14 090 000)	(13 594 239)
Bad debts written off	15	(3 582 128)	-
Repairs and maintenance		(10 409 625)	(14 250 966)
Bulk purchases		(20 964 298)	(9 275 403)
Contracted services	16	(5 961 106)	(4 261 986)
Transfers and subsidies		(24 581 625)	(29 284 104)
General expenses	28	(59 378 222)	(42 685 545)
Total expenditure		(198 525 340)	(169 695 633)
Surplus for the period		19 138 166	58 265 348

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Statement of Changes in Net Assets

	Revaluation reserve R	Accumulated surplus R	Total net assets R
Balance at 01 July 2015 as restated	-	220 515 489	220 515 489
Changes in net assets			
Revaluation of infrastructure assets	480 000	-	480 000
Surplus for the year	-	58 265 348	58 265 348
Total changes	480 000	278 780 837	279 260 837
Balance at 01 July 2016	480 000	278 780 837	279 260 837
Changes in net assets			
Surplus for the year	-	19 138 166	19 138 166
Total changes	480 000	297 919 003	298 399 003
Balance at 30 June 2017	480 000	297 919 003	298 399 003

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Cash Flow Statement

	Notes	2017 R	2016 R
Cash flows from operating activities			
Receipts			
Cash receipts from consumers and government		221 311 850	195 799 173
Cash paid to suppliers and employees		(188 562 337)	(138 192 838)
Cash generated from operations	18	32 749 513	57 606 335
Interest income			
Interest received	13	2 976 382	4 971 116
Net cash flows from operating activities		35 725 895	62 577 451
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(39 954 560)	(90 857 085)
Proceeds from sale of fixed assets		-	-
Net cash flows from investing activities		(39 954 560)	(90 857 085)
Net increase/(decrease) in cash and cash equivalents		(4 228 665)	(28 279 634)
Cash and cash equivalents at the beginning of the year		40 989 183	69 268 817
Cash and cash equivalents at the end of the year	7	36 760 518	40 989 183

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on cash basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	

Statement of Financial Performance

Revenue

**Revenue from exchange
transactions**

Service charges	51 265	0	51 265	202 201	150 936
Rental of facilities and equipment	345 338	0	345 338	840 255	494 917
Other income	539 328	0	539 328	122 683	-416 645
Interest received - investment	1 848 320	0	1 848 320	2 976 382	1 128 062
Total revenue from exchange transactions	2 784 251	0	2 784 251	4 141 521	1 357 270

**Revenue from non-exchange
transactions**

Taxation revenue

Property rates	13 443 874	0	13 443 874	17 868 862	4 424 988
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Transfer revenue

Government grants & subsidies	198 454 000	0	198 454 000	195 653 123	-2 800 877
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Total revenue from non- exchange transactions	211 897 874	0	211 897 874	213 521 985	1 624 111
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Total revenue	214 682 125	0	214 682 125	217 663 506	2 981 381
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Expenditure

Personnel	35 224 435	0	35 224 435	43 772 719	8 548 284
Remuneration of councillors	7 709 185	0	7 709 185	9 972 517	2 263 332
Depreciation and amortisation	20 804 023	0	20 804 023	15 238 036	-5 565 987
Finance costs	0	0	0	547 581	547 581
Bad debts written off	2 500 000	0	2 500 000	3 534 082	1 034 082
Repairs and maintenance	16 637 980	0	16 637 980	10 409 625	-6 228 355
Bulk purchases	2 500 000	0	2 500 000	20 964 298	18 464 298
Contracted Services	5 463 301	0	5 463 301	5 961 106	497 805
Transfers and Subsidies	12 392 500	0	12 392 500	24 581 625	12 189 125
General Expenses	62 403 913	0	62 403 913	59 378 222	-3 025 691
Total expenditure	165 635 337	0	165 635 337	194 359 811	28 724 474
Surplus for the year	49 046 788	0	49 046 788	23 303 695	31 705 855

Msinga Local Municipality
(Registration Number KZN 244)

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP. The accounting policies applied are consistent with those used to present the previous year's annual financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant policy.

Standards, amendments to standards and interpretations effective for financial periods commencing on or after 1 April 2013.

In the current year, the municipality has adopted the following interpretations that are effective for the current financial year and that are relevant to its operations.

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Cost
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investment in Associates
GRAP 8	Investment in Joint Ventures
GRAP 9	Revenue From Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Asset
GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee benefits
GRAP 26	Impairment of Cash-generation Assets
GRAP 100	Non-current Assets Held for and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments

The municipality expects to adopt the standards for the first time once effective.

Management have considered all the above mentioned GRAP standards and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

Msinga Local Municipality
(Registration Number KZN 244)

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

Standards, amendments to standards and interpretation not yet effective or relevant.

The following GRAP standard has been approved but an effective date has not been determined.

GRAP 18 : Segment Reporting – issued February 2011
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Compliance with this standard would have had an effect on the presentation only. Financial information would have been reported by segments. The disclosure of this information will assist users of the financial statements to better understand the entity's past performance and to identify the resources allocated to support the major activities of the entity.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these interim financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These annual financial statements have been prepared based on a going concern basis.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the interim financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Debtors receivables

The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The municipality reviews and test the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Provisions

Provisions are recognised when the municipality has present or constructive obligation as a result of past events and it is probable that an outflow of resources embodying the economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the municipality.

Useful lives of property, plant and equipment

The municipality's management estimates the remaining useful lives and condition of significant items of property, plant and equipment on an annual basis. In determining whether an impairment loss should be recorded in the surplus or deficit, the municipality makes judgement as to whether there is observable data indicating a significant impairment of respective assets.

During the period under review no significant assets have been impaired as the municipality is currently in the process of rehabilitating most of its infrastructure.

Accounting Policies

Allowance for doubtful debts

The provision for impairment is measured as the difference between the assets carrying amount and the present value of estimated future cash flow discounted at the effective interest rate computed at initial recognition. An impairment loss is recognised in surplus and deficit when there is objective evidence that an asset is impaired. The impairment is measured with reference to historical data and payment trend analysis per group of customers.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both land or buildings held under a finance lease) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. The cost of self-constructed investment property is the cost at date of completion.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Fair value

Subsequent to initial measurement investment property is measured at fair value. Under the fair value model, investment property is carried at its fair value as the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets are significant in relation to the whole asset and that have different useful lives are depreciated separately.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period. Items of property, plant and equipment are initially recognised as assets on the acquisition date and are initially recorded at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Subsequent Measurement - Revaluation Model (Land, buildings and other infrastructure)

Subsequent to initial recognition, land, buildings and other infrastructure assets are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reserves a revaluation decrease of the same asset previously recognised in surplus or deficit.

Msinga Local Municipality
(Registration Number KZN 244)

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.5 Property, plant and equipment (continued)

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit of that asset.
Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.
Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset that have different useful lives are depreciated separately.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	30 years
Roads and pavings	Straight line	20 years
Air conditioners	Straight line	7 years
Furniture and fixtures	Straight line	10 years
Vehicles and tractors	Straight line	7 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Machinery and equipment	Straight line	7 years
Radio	Straight line	5 years
Electricity	Straight line	25 years
Pedestrian Malls	Straight line	30 years
Recreational facilities	Straight line	10 years
Sewerage	Straight line	20 years
Landfill site	Straight line	21 years
Tools and loose gear	Straight line	5 years
Water network	Straight line	20 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying value, and recognised in the Statement of Financial Performance.

1.6 Financial instruments

Initial recognition

Financial instruments are initially recognised at fair value.

Accounting Policies

1.6 Financial instruments (continued)

Subsequent measurement

Financial assets are categorised according to their nature as either financial assets at fair value through profit and loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is categorised in accordance with IAS 39.

Investments

Investments, which include short deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans receivable, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Trade and other receivables

Trade and other receivables are categorised as financial assets: loans and receivables are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that a trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current assets. An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against the operating expenses in Statement of Financial Performance.

Trade payable and borrowings

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

Cash and cash equivalents

Bank overdrafts are recorded based on the facility used. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.7 Leases

Finance leases - lessor

Under the finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion being recognised as interest revenue on a time apportionment basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Accounting Policies

1.7 Leases (continued)

Finance leases - lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are initially recognised as lower of the asset's fair value and the present value of minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the net assets plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance costs and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or lease term.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. Operating leases are those leases that do not fall within the scope of the above definition.

1.8 Provisions and contingencies

Provisions are recognised when:

- * the municipality has a present obligation as a result of a past event;
- * it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- * a reliable estimate can be made of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land)

The municipality does not recognise a contingent liability or asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of provision where there is sufficient objective evidence that they will occur. Gains from the expected disposals of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Accounting Policies

1.9 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered, the value of which approximates the consideration received or receivable.

Service charges relating to electricity are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. The estimates of consumption between meter readings are based on normal consumption.

Revenue from sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied on a monthly basis on the recorded number of refuse containers per property.

Interest revenue is recognised on a time proportion basis.

Revenue from rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

1.10 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time apportionment basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and becomes available for use by the municipality.

Revenue from the recovery of unauthorised, fruitless and wasteful expenditure is based on legislation procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Grants, transfers and donations

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

**Msinga Local Municipality
(Registration Number KZN 244)**

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for the intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and capital assets acquired cannot be adequately established. Borrowing costs incurred other than qualifying assets are recognised as an expense in surplus or deficit when incurred.

1.12 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of the state expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance.

1.13 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.14 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 Retirement benefits

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provisional basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

1.16 Construction contracts and receivables

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by completion of a physical proportion of the contract work.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Notes to the annual financial statements

							2017	2016
							R	R
2. Property, Plant and Equipment								
30 June 2017				30 June 2016				
	Cost / Valuation	Accumulated depreciation	Carrying Value	Cost / Valuation	Accumulated depreciation	Carrying Value		
Buildings	21 107 977	(7 749 194)	13 358 783	21 108 977	(5 721 906)	15 387 071		
Plant and machinery	202 652	(129 057)	73 595	202 652	(97 295)	105 357		
Furniture and fixtures	2 189 421	(1 384 368)	805 053	2 189 421	(1 158 100)	1 031 321		
Motor vehicles	27 195 086	(15 983 894)	11 211 192	26 220 086	(13 068 448)	13 151 638		
Office equipment	2 892 296	(2 640 434)	251 862	2 892 296	(2 304 545)	587 751		
Infrastructure	170 269 610	(64 909 571)	105 360 039	170 269 610	(57 998 272)	112 271 338		
Community	26 922 469	(18 943 586)	7 978 883	26 922 469	(16 474 502)	10 447 967		
Refuse dump	2 436 564	(2 196 564)	240 000	2 436 564	(2 076 564)	360 000		
Tools and loose gear	11 014	(11 014)	-	11 014	(11 014)	-		
Work in progress	126 252 617	-	126 252 617	87 273 057	-	87 273 057		
Total	379 479 706	(113 947 682)	265 532 024	339 526 146	(98 910 646)	240 615 500		

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Revaluations	Transfer to PPE	Depreciation	Total
Buildings	15 387 071	-	-	-	(2 028 288)	13 358 783
Plant and machinery	105 357	-	-	-	(31 762)	73 595
Furniture and fixtures	1 031 321	-	-	-	(226 268)	805 053
Motor vehicles	13 151 638	975 000	-	-	(2 915 446)	11 211 192
Office equipment	587 751	-	-	-	(335 889)	251 862
Infrastructure	112 271 338	-	-	-	(7 111 299)	105 160 039
Community	10 447 967	-	-	-	(2 469 084)	7 978 883
Refuse dump	360 000	-	-	-	(120 000)	240 000
Work in progress	87 273 057	38 979 560	-	-	-	126 252 617
	240 615 500	39 954 560	-	-	(15 238 036)	265 332 024

3. Employee benefit obligations

Defined benefit plan

Carrying value

Opening balance	467 000	369 000
Current service cost	82 000	63 000
Interest cost	50 000	36 000
Benefit payment	(20 000)	(10 000)
Actuarial loss /(gain)	23 000	9 000
	602 000	467 000

Net expense recognised in the statement of financial performance

Current service cost	82 000	63 000
Interest cost	50 000	36 000
Benefit payment	(20 000)	(10 000)
Actuarial loss /(gain)	23 000	9 000
	135 000	98 000

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Notes to the annual financial statements

	2017 R	2016 R
4. Receivables from exchange transactions		
Trade debtors	<u>2 060 397</u>	<u>2 732 359</u>
Gross balances		
Rates	29 615 371	24 465 357
Refuse	343 122	316 202
Other	166 367	158 895
	30 124 860	24 940 454
Less: Allowance for impairment		
Rates	(27 591 310)	(21 901 021)
Refuse	(338 202)	(307 074)
Other	(134 951)	-
	(28 064 463)	(22 208 095)
Net balance		
Rates	2 024 061	2 564 336
Refuse	4 920	9 128
Others	31 416	158 895
	2 060 397	2 732 359
Rates		
Current (0 -30 days)	742 795	1 442 458
31 - 60 days	738 938	1 427 737
61 - 90 days	736 010	1 949 641
91 - 120 days	697 296	701 555
121 - 365 days	26 700 333	18 943 966
	29 615 372	24 465 357
Refuse and others		
Current (0 -30 days)	3 689	3 629
31 - 60 days	3 690	7 259
61 - 90 days	3 689	7 258
91 - 120 days	3 622	1 670
121 - 365 days	494 799	296 386
	509 489	316 202
5. Receivables from non-exchange transactions		
Consumer debtors	-	48 046
6. VAT Receivable		
VAT	29 216 376	12 630 462
7. Cash & Cash Equivalents		
Cash and cash equivalents consist of:		
Bank balances	4 253 163	5 633 064
Short-term deposits	32 507 355	35 356 119
	36 760 518	40 989 183

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Notes to the annual financial statements

	2017 R	2016 R
8. Unspent conditional grants		
Unspent conditional grants and receipts comprises of:		
Grant - Construction of Shelters	272 397	272 397
Sports Grant	1 333 333	-
	1 605 730	272 397

Grants reconciliation

1 Municipal Infrastructure Grant (MIG)

Opening balance	-	5 357 368
Current period receipts	35 800 000	38 048 000
Conditions met - Transfer to revenue	-35 800 000	-43 405 368
	-	-

2 Finance Management Grant (FMG)

Opening balance	-	-
Current period receipts	1 825 000	1 800 000
Conditions met - Transfer to revenue	-1 825 000	-1 800 000
	-	-

3 Municipal Systems Improvement Grant

Opening balance	-	-
Current period receipts	-	930 000
Conditions met - Transfer to revenue	-	-930 000
	-	-

4 Integrated National Electrification Programme (INEP)

Opening balance	-	-
Current period receipts	25 000 000	20 000 000
Conditions met - Transfer to revenue	-25 000 000	-20 000 000
	-	-

5 Extended Public Works Programme

Opening balance	-	1 950 476
Current period receipts	2 095 000	3 187 613
Conditions met - Transfer to revenue	-2 095 000	-5 138 089
	-	-

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Notes to the annual financial statements

	2017	2016
	R	R

9. Provisions

Landfill site rehabilitation

	Opening Balance	Additions	Total
Landfill site rehabilitation	3 980 652	497 581	4 478 233
Performance bonus provision	-	623 930	623 930
	3 980 652	1 121 511	5 102 163

Non-current liabilities	4 478 233
Current liabilities	623 930

10. Payables from exchange transactions

Trade payables	15 398 690	5 073 327
Payments received in advanced	1 452 571	1 362 852
Accrued leave pay	2 610 502	2 129 078
Outstanding cheques	8 398 656	-
	27 860 419	8 565 257

11. Revenue

Service charges	202 201	43 158
Rental of facilities and equipment	840 255	566 643
Other income	122 683	160 228
Interest received - Current account	2 976 382	4 971 116
Property rates	17 868 862	16 505 379
Government grants & subsidies	29	205 714 457
	217 663 506	227 960 981

The amount included in revenue arising from exchange of goods or services are as follows:

Service charges	202 201	43 158
Rental of facilities and equipment	840 255	566 643
Other income	122 683	160 228
Interest received - investment	2 976 382	4 971 116
	4 141 521	5 741 145

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	17 868 862	16 505 379
Transfer revenue	-	-
Government grants & subsidies	29	205 714 457
	213 521 985	222 219 836

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Notes to the annual financial statements

	2017 R	2016 R
6 Library Grant		
Opening balance	-	-
Current period receipts	760 000	744 000
Conditions met - Transfer to revenue	-760 000	-744 000
	-	-
7 Tourism Grant		
Opening balance	1 928	2 184 612
Current period receipts	-	-
Conditions met - Transfer to revenue	-1 928	-2 182 684
	0	1 928
8 Municipal Support Grant		
Opening balance	807	2 239 981
Current period receipts	-	-
Conditions met - Transfer to revenue	-807	-2 239 174
	0	807
9 Grant - LED capacity building		
Opening balance	6 204	246 604
Current period receipts	-	-
Current period receipts	-6 204	-240 400
	0	6 204
10 Sweet Potato Project		
Opening balance	-	1 030 569
Current period receipts	-	-
Conditions met - Transfer to revenue	-	-1 030 569
	-	-
11 Sports Grant		
Opening balance	-	-
Current period receipts	1 333 333	-
Conditions met - Transfer to revenue	-	-
	1 333 333	-
12 Other Government Grants and Subsidies		
Opening balance	4 126 003	4 126 003
Current period receipts	-	-
Conditions met - Transfer to revenue	-3 853 606	-
	272 397	4 126 003
Total Unspent Grants and Subsidies	1 605 730	4 134 942

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Notes to the annual financial statements

	2017	2016
	R	R
12. Rental of facilities and equipment		
Facilities and equipment		
Rental of facilities	840 255	566 643
13. Investment revenue		
Interest revenue		
Interest on current account	1 563 208	1 937 456
Interest on investments	1 413 175	3 033 660
	2 976 383	4 971 116
14. Debt Impairment		
Impairment loss	14 090 000	13 594 239
15. Bad debts		
Receivables from non exchange transactions	3 534 082	-
Receivables from non exchange transaction - Long standing consumer debt	48 046	
	3 582 128	-
16. Contracted services		
Information Technology Services	3 017 702	4 027 155
Specialist Services	2 943 404	234 831
	5 961 106	4 261 986
17. Property rates		
Rates received		
Residential	6 476 080	2 537 289
Commercial	3 810 764	2 821 861
State	1 641 394	4 884 844
Municipal	1 436 643	1 116 431
Small holdings and farms	1 311 152	2 403 033
Sundry	5 702 480	5 321 715
Less: rebates	(2 509 651)	(2 579 794)
	17 868 862	16 505 379
Valuations		
Residential	49 319 000	71 770 000
Commercial	991 568 000	1 015 591 000
State	132 383 000	346 571 000
Municipal	17 154 000	17 154 000
Other	394 507 000	30 374 000
	1 584 931 000	1 481 460 000

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Notes to the annual financial statements

	2017	2016
	R	R
18. Cash generated from operations		
Surplus	19 138 166	58 265 348
Adjustments for:		
Depreciation and amortisation	15 238 036	14 415 017
Debt impairment	14 090 000	13 594 239
Bad debts written off	3 582 128	-
Movements in retirement benefit assets and liabilities	135 000	98 000
Movements in provisions	1 121 511	1 049 157
Investment income	(2 976 382)	(4 971 116)
Changes in working capital:		
Receivables from exchange transactions	(7 331 527)	5 316 667
Consumer debtors	(14 090 000)	(13 594 239)
Payables from exchange transactions	19 295 162	2 438 878
VAT	(16 585 914)	(5 920 085)
Unspent conditional grants and receipts	1 333 333	(13 085 531)
	32 949 513	57 606 335
19. Employee related costs		
Basic	21 121 180	23 131 937
Bonus	1 415 784	2 130 363
Medical aid - company contributions	956 717	2 743 767
Performance bonus provision	623 930	606 862
Travel, motor car, accommodation, subsistence and other	9 214 838	2 857 635
Overtime payments	467 753	537 167
Long-service awards	-	98 000
	33 800 202	32 105 731
Remuneration of Municipal Manager		
Annual Remuneration	845 851	882 598
Car Allowance	120 000	120 000
Contributions to UIF, Medical and Pension Funds	41 040	41 040
Rural Allowance	88 689	-
	1 095 580	1 043 638
Remuneration of Chief Finance Officer		
Annual Remuneration	960 248	909 177
Remuneration of Director: Planning		
Annual Remuneration	579 964	549 580
Car Allowance	52 800	52 800
Rural Allowance	52 724	-
	685 488	602 380
Remuneration of Director: Technical Services		
Annual Remuneration	542 945	513 319
Car Allowance	72 000	72 000
Rural Allowance	49 359	-
	664 304	585 319
Remuneration of Director: Corporate and Human Resources		
Annual Remuneration	487 561	458 019
Car Allowance	84 000	84 000
Rural Allowance	48 756	-
	620 317	542 019

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Notes to the annual financial statements

	2017 R	2016 R
20. Remuneration of Councillors		
Executive Mayor	416 689	416 688
Deputy Executive Mayor	592 280	592 280
Speaker	338 244	338 244
Mayoral Committee Members	1 593 170	2 230 438
Councillors	7 032 134	5 802 697
	9 972 517	9 380 347

21. Events after the reporting date

At the time of completion of the annual financial statements, there were no events after the reporting date affecting these annual financial statements.

22. Contingent Liabilities

At the time of completion of the annual financial statements, there were no contingent liabilities that the municipality had.

23. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure - current period	-	6 540
Amounts approved by council	-	(6 540)
	-	-

24. Irregular expenditure

Opening balance	44 950 823	-
Irregular expenditure - current period	27 078 273	44 950 823
Amounts approved by council	(72 029 096)	-
	-	44 950 823

25. Unauthorised expenditure

Unauthorised expenditure - current period	-	-
Amounts condoned by council	-	-
	-	-

Msinga Local Municipality
(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Notes to the annual financial statements

	2017	2016
	R	R

26. Deviations from supply chain management regulations

Deviations - current period	5 543 960	13 238 195
Amounts approved by council	(5 543 960)	(13 238 195)
	-	-

Classification of deviations

Nature of deviation	Amount	Amount
Sole Supplier	3 583 476	-
Emergency	763 490	-
Other	1 196 994	-
Total	5 543 960	13 238 195

27. Commitments Authorised

Capital Expenditure

Already approved and contracted for:

Infrastructure	3 508 123	55 802 811
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Not yet contracted for and authorised by accounting officer:

Council Chamber Revamp	-	820 300
Construction of shelters	-	272 397
Community projects	-	-
Infrastructure	-	-
Other	-	-
	-	1 092 697

Total capital commitments

Already contracted for but not provided for	3 508 123	55 802 811
Not yet contracted for and authorised by accounting officer	-	1 092 697
	3 508 123	56 895 508

Operational Expenditure

Not yet contracted for and authorised by accounting officer:

Internal development in registry	-	88 940
Caretakers for sportsfields	-	167 280
MSCOA	-	807
Community tourism projects	-	1 928
Public participation projects	-	2 221 106
LED project	-	6 204
Corporate interns	-	108 000
Maintenance of Thusong centres	-	319 090
Community projects	-	128 890
	-	3 042 245

Total operational commitments

Not yet contracted for and authorised by accounting officer	-	3 042 245
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Total commitments

Authorised capital expenditure	3 508 123	56 895 508
Authorised operational expenditure	-	3 042 245
	3 508 123	59 937 753

Msinga Local Municipality
(Registration number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Notes to the annual financial statements

	2017	2016
	R	R
28. General expenses		
AIDS awareness	534 455	284 726
Admin fees	116 949	77 835
Advertising	904 741	749 036
Agricultural project	410 776	130 217
Audit fees internal	674 154	917 555
Auditors remuneration	761 766	1 192 776
Awareness program	3 267 913	2 446 392
Bank charges	817 689	538 136
CDW Expenses	1 032	-
Conference and seminars	39 500	94 961
Consulting and professional fees	1 324 471	4 382 851
Contribution leave provision	-	-
Disaster fund housing	420 265	550 564
Disaster management	145 338	112 125
EPWP grant expenses	1 812 520	-
Electricity	1 072 445	855 748
Entertainment	216 008	261 483
FMG expenses	3 914 026	-
Indigent support	409 056	1 868 998
Insurance	568 996	1 152 053
Legal fees	305 298	181 527
Library grant expenses	541 552	-
Licences	166 272	201 667
Management Services	5 821 897	-
Meetings/Training	295 661	592 966
MPCC grant expenses	167 456	-
Materials	27 028	4 300
Motor vehicle expenses	5 065 550	5 396 996
Operational cost: pound	170 544	-
Pauper burials	372 490	561 735
Ploughing costs	616 191	770 171
Printing and stationery	234 268	80 387
Protective clothing	651 150	833 853
Relief fund	2 975 829	3 903 914
Security (Guarding of municipal property)	6 814 354	4 227 015
Skills development levy	144 883	-
Special projects	4 117 595	4 262 750
Sports and recreation	2 164 284	2 528 210
Subscriptions and membership fees	443 489	558 413
Subsistence and travel	4 188 810	-
Sundry expenses	1 466	15 652
Telephone and fax	859 695	945 055
Valuation expenses	46 896	-
Ward committees	2 189 853	41 689
Water	760 758	103 023
Youth projects	2 822 852	1 860 766
	59 378 222	42 685 545

(Registration Number KZN244)

Annual Financial Statements for the year ended 30 June 2017

Notes to the annual financial statements

	2017	2016
	R	R
29. Government Grants transferred to revenue		
Equitable Share *	126 639 000	134 627 000
Municipal Infrastructure Grant (MIG)	35 800 000	43 405 368
Finance Management Grant (FMG)	1 825 000	1 800 000
Integrated National Electrification Programme (INEP)	25 000 000	20 000 000
Extended Public Works Programme	2 095 000	5 138 089
Library Grant	760 000	744 000
Sport and Recreation	665 756	-
Grants - General	820 300	-
Grant - Construction of Shelters	272 397	-
Internal Development iStructure Grant	88 940	-
Tourism Grant	1 928	-
Municipal Support Grant	807	-
Grants - General	451 023	-
Grant - Project Consolidate	503 508	-
Grant - Community Development Workers	128 890	-
Grant - LED Capacity Building	6 204	-
Sportsfields	167 280	-
Intern Corporate	108 000	-
Thusong Centres	319 090	-
	195 653 123	205 714 457

* During the course of the 2016/2017 financial year an amount of R19 396 000 was withheld by National Treasury from Equitable Share.